

February 25, 2016

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Notice of *Ex Parte* in WC Docket No. 02-60
Petition for Rulemaking by Schools, Health & Libraries Broadband Coalition,
California Telehealth Network, New England Telehealth Consortium, Health
Information Exchange of Montana, Utah Telehealth Network, Colorado
Telehealth Network, and Southwest Telehealth Access Grid Seeking Amendment
of Part 54 of the Commission's Rules to Further Modernize the Rural Health Care
Program¹

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules² we hereby provide notice of an ex parte presentation in connection with the above captioned proceeding. On Monday, February 22, 2016, Brian Thibeau, President and CEO of the New England Telehealth Consortium ("NETC"), Jim Rogers of HealthConnect Networks, and undersigned counsel, met with Stephanie Weiner, Associate General Counsel and Special Advisor to Chairman Wheeler, Ryan Palmer, Division Chief, and Radhika Karmarkar, Deputy Division Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division. We also met separately with Travis Litman, Legal Advisor to Commissioner Rosenworcel, and Amy Bender, Legal Advisor to Commissioner O'Rielly. Finally, we met with the Commission's Connect2Health Task Force.

¹ Filed Dec. 7, 2015, <http://apps.fcc.gov/ecfs/comment/view?id=60001324308>.

² 47 C.F.R. § 1.1206.

The purpose of these meetings was to provide an update on NETC's growth and progress in meeting the Commission's policy goals for the Rural Health Care program, and to discuss the petition for rulemaking in the Rural Health Care program docket filed by NETC and other petitioners. Our discussions were consistent with data and arguments presented in the petition. A description of NETC and the handouts we shared at the meetings are attached to this letter.

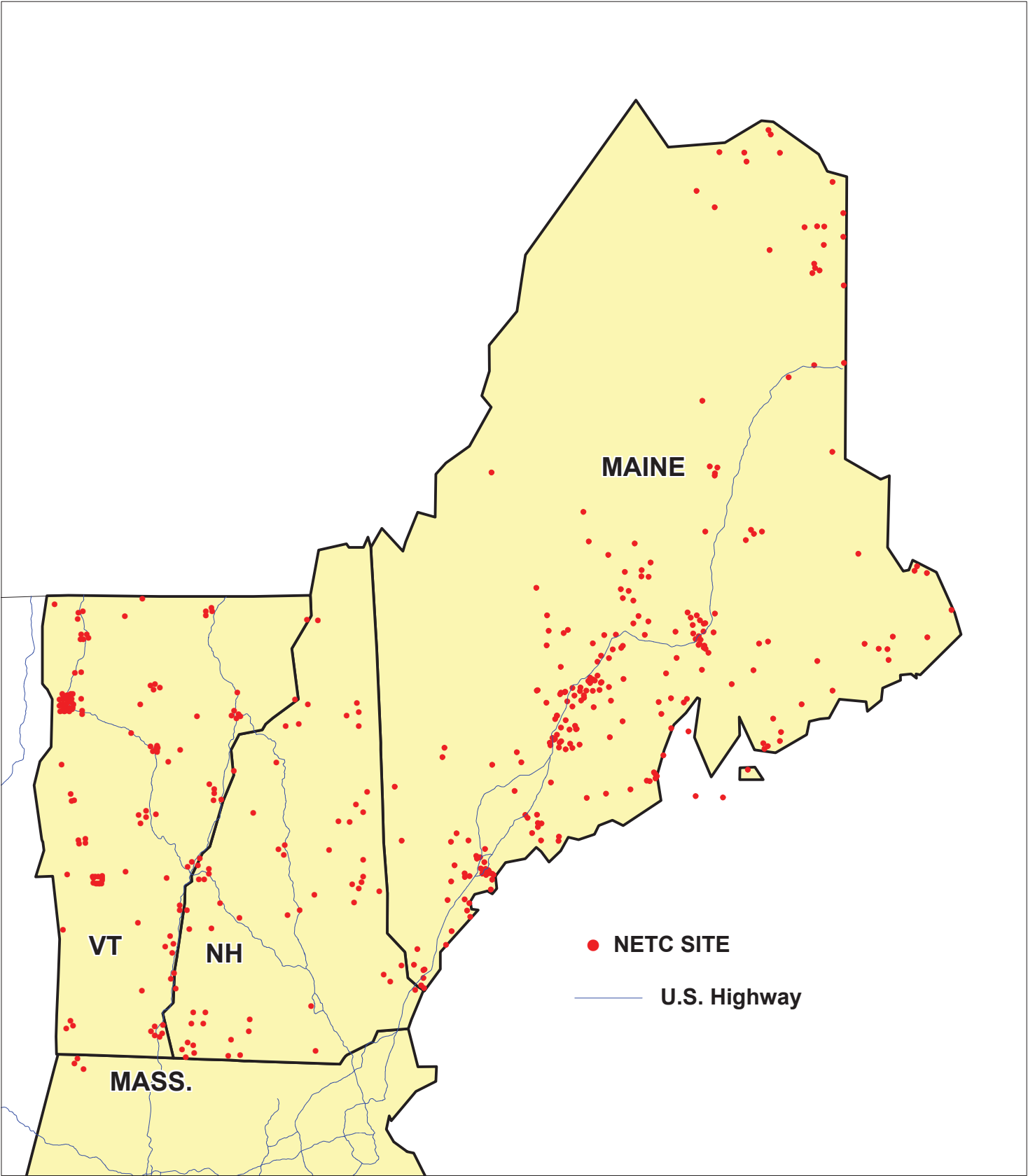
Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey A. Mitchell', with a stylized, sweeping flourish extending to the right.

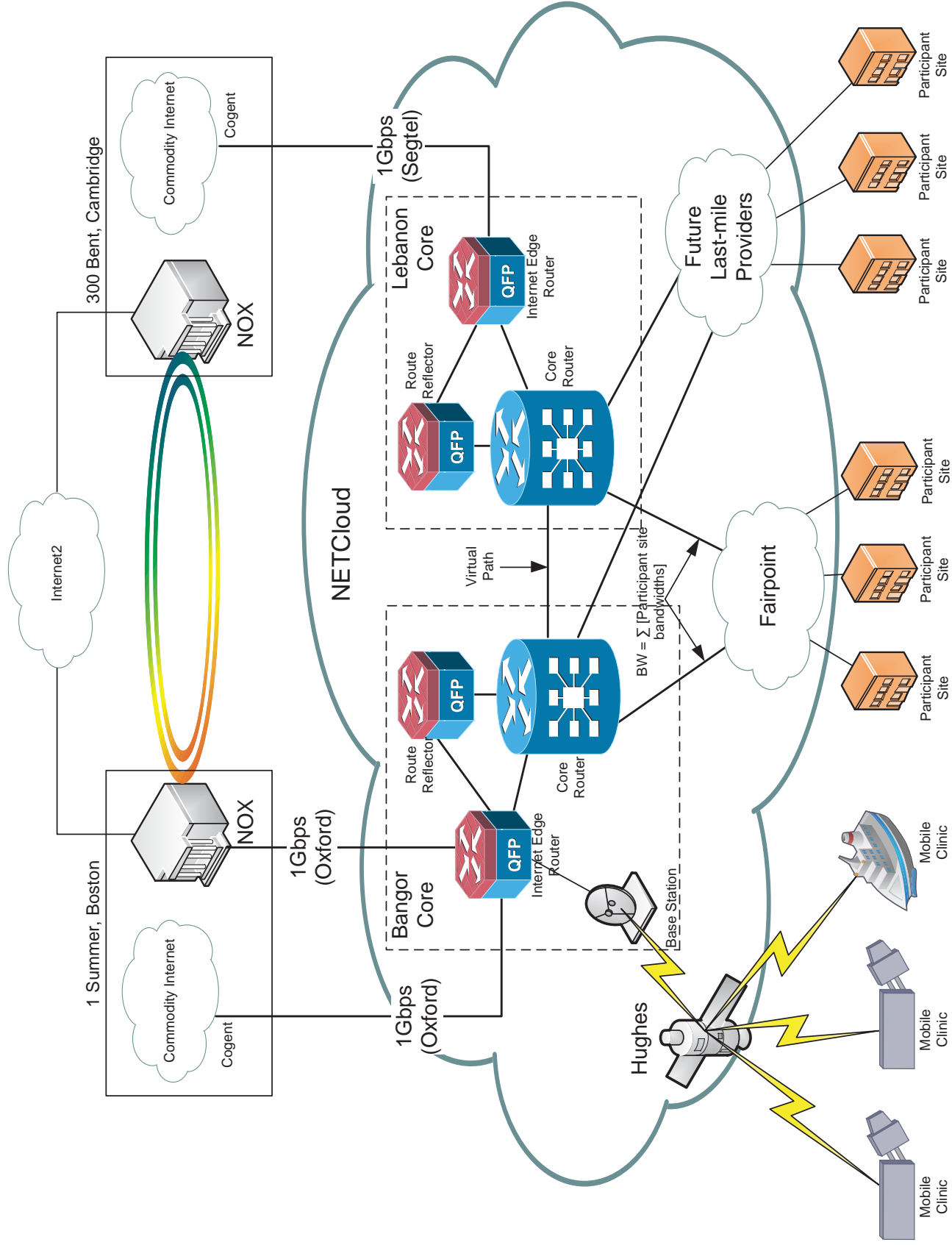
Jeffrey A. Mitchell
Counsel for NETC

Attachments

NEW ENGLAND TELEHEALTH CONSORTIUM SITES



NETC Network "NETCloud"



Date: February 22/23, 2016
To: FCC Commissioners, Senators and Legislative Staff
From: Brian Thibeau, NETC President
Re: New England Telehealth Consortium Update (NETC)

Meeting Purpose

1. To announce the success of the NETC network using USF RHCPP funds
2. To provide an update on the NETC network project
3. To discuss NETC's petition to the FCC to modify the FCC RHC rules

NETC Background

NETC is a not-for-profit consortium of healthcare providers in communities across northern New England established to develop and share electronic health information and to improve patient care. Within its service area, which encompasses the states of Maine, New Hampshire and Vermont, many health care facilities have never had access to affordable quality broadband, greatly compromising the quality of care for thousands of rural residents. In November 2007, as part of the RHC pilot program, NETC became eligible to receive \$24.6 million in universal service support to provide broadband connectivity capable of supporting high bandwidth healthcare applications between NETC participants. NETC completed its network design process in 2010 and, in 2011 began to implement the design through procurements for different elements of the network. Eight different network vendors were competitively selected in the spring of 2011. Between the spring of 2012 and the fall of 2012 the RHC administrator approved NETC's applications for funding and issued funding commitments totaling 99.988% of NETC's pilot program award. As of February 2016, NETC has built out a high speed, 123 Gb quality of service broadband network to 320 hospitals, clinics and behavioral health sites throughout Maine, New Hampshire and Vermont.

Key Features of NETC's Network

NETC designed and implemented a services-based network spanning three rugged and largely rural states. The NETC network provides health care providers, through their membership and participation in the NETC consortium, with operational control over a high quality, high bandwidth broadband network capable of supporting advanced telemedicine and electronic health information. A summary diagram of the NETC network is attached to this letter.

NETC's network is a redundant, private, "hybrid" network featuring a combination of (1) HCP-owned network routers at the core and at the "edge" (*i.e.*, at the customer premises); (2) network connectivity provided as a service both at the core and to the edge; and (3) a neutral (non-carrier controlled) network operations center ("NOC"). NETC's network also features access to Internet2 and highly affordable access to the public Internet which is provided by obtaining Internet access as a commodity from urban locations (Boston and Cambridge) – which are remote from the NETC network cores in Bangor, Maine and Lebanon, New Hampshire. As noted, eight different vendors are contracted to provide different elements of the network.

Several factors unique to the NETC service area dictated the approach taken. First, after surveying the marketplace, it was clear no single vendor could provide all the services NETC required to make the network a reality. NETC thus proceeded “*a la carte*”, purchasing each network service or component from the most cost-effective provider. Second, given the size and remoteness of the service area, constructing fiber infrastructure to up to 500 sites throughout New England was not feasible. Instead, NETC sought to leverage existing carrier infrastructure. Finally, NETC’s size and consortium model enabled it to use competition between providers to dramatically drive down pricing and stimulate facilities investment to bring higher bandwidth and higher service quality to NETC participants.

In the future, NETC’s independent NOC and HCP-owned routers will allow NETC to easily interchange vendors providing connectivity and other services, and thereby use competition to continually obtain the lowest market rates possible.

Benefits of the Approach Taken by NETC

After finalizing contracts with vendors, the primary benefits of the NETC model became clear:

- Providing HCPs in Northern New England with affordable access to a private quality of service (“QoS”) medical network that did not previously exist;
- Allowing HCP participants to realize substantial cost savings, in many cases providing higher quality, higher bandwidth service at a price less than what HCPs were paying for inferior service;
- Being able to utilize the most cost effective vendor for each service or element of the network;
- Employing a modular approach which allows vendors to be more easily swapped or added, thereby ensuring the continuing benefits of competition for pricing and service quality.

Other benefits of the NETC network include the ability of the NOC to proactively respond and hold vendors accountable for meeting their service level obligations (“SLAs”). In addition, postalized pricing allowed us to simplify pricing for participants and to provide a “level playing field” for all NETC members, regardless of geographic location. This ensures that our most rural members have access to the same services as all other HCPs in New England, including access to specialists, clinical expertise, and advanced medical and data services residing in the area’s urban medical centers.

Ultimately, NETC’s ability to aggregate the needs of hundreds of HCPs through a consortium model resulted in vendor pricing that was substantially below market and which has and will result in dramatic cost savings over time.

By extrapolating the difference between NETC pricing to then-current market prices for the same or equivalent service for all of the NETC participants for the initial 10 years of the project, we calculated savings for our participating HCPs of over \$135 million (excluding the savings to HCPs due to the RHC subsidies themselves). We recognize that pricing will not remain static over this time, but this is nonetheless a dramatic illustration of the benefit of consortium applications and the power of a one-time, start-up investment in networks like NETC.